

**Testimony before the Joint Fiscal Committees  
on the SFY 2009-10 *Executive Budget*  
Human Services Hearing  
January 14, 2009**

**Presented by  
Karen Schimke, President and CEO  
Schuyler Center for Analysis and Advocacy**



*Shaping New York State public policy  
for people in need since 1872*

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My name is Karen Schimke and I am President and CEO of the Schuyler Center for Analysis and Advocacy (SCAA). The Schuyler Center for Analysis and Advocacy (SCAA) has provided a strong advocacy voice for our state's most vulnerable citizens for over 135 years, testifying yearly before this joint budget hearing speaking to children's and families' needs for shelter, food, safety, and child care.

The state's immense budget deficit hangs over everything we do here today. So I will not sit before you today to beg that a few precious programs be spared. Instead I will I urge you, as the state's leaders, to set spending priorities. Then target programs outside these priorities for a larger share of budget cuts and tax surcharges. The worst path the state could take would be to close the budget deficit through across-the-board budget cuts. Such a course would devastate services essential to all New Yorkers, especially our state's most vulnerable citizens.

At SCAA, we believe in doing the hard work ourselves. In December, we issued a proposal calling for the state to set three key priorities and adopt a balanced set of budget cuts, tax increases and loophole closures that would reduce the budget deficit by \$9.1 billion. We think the key priorities for New York are these:

**Three budget priorities for the State of New York**

1. Protect programs that serve vulnerable New Yorkers.
2. Protect "seed corn" investments essential to the state's future prosperity.
3. Give special consideration to programs that can show evidence of successful outcomes.

We propose major cuts in areas that we believe fall outside of these priorities: for example, eliminating the Empire Zone program, High Tax Aid to school districts, the Middle-Class STAR Rebate, and other programs that do not serve the state effectively. Our proposal is attached for your consideration.

Human services, on the other hand, contains a number of programs that the state should at all costs protect from deep budget cuts. Let me give you two examples of measures we consider vitally important in the proposed budget:

- Raise the public assistance grant. The Governor has recognized that our lowest-income citizens are likely to suffer disproportionately and for the first time since 1990 has proposed and included in the *Executive Budget* funds to increase the public grant over a three-year

- The right-sizing of juvenile justice facilitates. SCAA supports measures which keep children and youth in their homes and communities whenever possible. Our concern rests with the lack of investment in community-based services to meet these youths' needs in their neighborhoods.

Unfortunately, a number of important programs did not receive sufficient attention in the *Executive Budget*. I would like to bring them to your attention at this time.

### ***Zero to 5 Agenda***

Providing high-quality early care and learning services like home visiting and child care to young children is not optional. These programs not only lay the groundwork for a child's success in school and in life—they help parents be the best parents they can be, while allowing them to work and provide financially for their families. During this economic downturn, it is imperative that New York State not cut funding for programs that serve our youngest, and most vulnerable, citizens.

**Restore child welfare preventive spending for home visiting and funding for HFNY.** The *Executive Budget* proposes cutting the Healthy Families New York (HFNY) program by 25% and eliminating child welfare preventive spending dollars that partially fund the Nurse-Family Partnership (NFP) and other home visiting programs. We are already hearing reports that child abuse has increased in this economic downturn, due to the increased stress on parents. We have no doubt that these proposed cuts will result in more cases of child abuse.

Home visiting programs such as HFNY and NFP provide savings for the state in reduced child protection and foster care costs. They also provide educational benefits to young children by helping their parents understand the importance of early learning and encouraging them to help develop their children's cognitive and social-emotional abilities.

HFNY serves more than 5,000 families a year in some of New York's highest need communities, with a proven track record of better outcomes for children in high-risk families. The state's stringent randomized trial evaluation of HFNY demonstrated improved health and development, and decreased abuse and neglect. The program employs nearly 500 people in 39 communities across the state. Those jobs keep dollars circulating in local economies.

NFP is active in New York City and in Monroe and Onondaga counties. Approximately one-third of NFP funding in New York City comes from child welfare preventive spending. Sixty-five percent of Monroe County's NFP funding and 27% of Onondaga County's NFP funding is child welfare preventive spending. The elimination of these dollars means that entire programs will cease serving an estimated 1,200 families.

Let me give you an example of what a cut in child welfare preventive spending will mean. In Broome County, the Lourdes PACT and Binghamton City School District PACT (Parents and Children Together) alone serve 181 families. Cutting Broome's child welfare preventive funding will mean a decrease of more than \$600,000 for services that include home visiting, health education, mentoring, infant/toddler child care, and staff and program development for child care providers. Programs would be forced to close down, and families would go without much-needed services. That is simply unacceptable.

**Transfer \$356 million in funding from the FFFS to the Child Care and Development Block Grant to prevent further erosion in child care funding and ensure that low-income working families have access to child care subsidies.** Counties are burdened by costs and challenged by the need to provide a range of services. Therefore, we understand the state's rationale behind putting child care funding back in the Flexible Fund for Family Services (FFFS). At first glance, it appears that including child care in the FFFS allows counties flexibility. However, doing so actually forces counties to choose between funding competing children's issues.

Removing child care from the FFFS, as the Legislature so wisely did last year, will ensure that New York State, at a minimum, does not reduce its investment in services for working parents.

**Restore \$30 million in lost child care funding to increase the number of available subsidy slots to children in low-income working families.** Obviously, child care is an essential component of a working family's life. This is the setting in which many children spend more than 10 hours a day. Child care programs allow parents to work, which is imperative in this economic downturn. Now more than ever we should be encouraging those who can work to do so. And we should help them work when we can.

In addition, the full implementation of Universal Pre-K, which the state has invested heavily in, depends on the quality of our child care services. This is because high-quality child care provides the basis for success in Pre-K. The program's success also depends on child care because 60% of all Pre-K programs are offered in child care settings.

Without subsidy assistance, low-income working families who cannot afford child care on their own must make choices about child care services that could put their children at risk. Sometimes parents are even forced to forgo employment to stay home with their children, leading them to seek public assistance.

Unfortunately, while market rate increases have resulted in an increased cost for child care services, subsidies for those services have decreased. As a result, 46,000 fewer children received subsidies in 2007 than just four years ago. We anticipate another 10,000 children will be denied access to a child care subsidy in 2008 due to a reduction in federal block grant funding and the impact of market rate increases, for a total of 56,000 fewer children receiving subsidized child care.

It is imperative that the state subsidize slots for our lowest income and highest need children so that they are not left behind academically, and so that they are in safe, reliable settings while their parents are at work.

## Economic Security Agenda

Maintaining New York's proud tradition of support for its low-income citizens is more than the decent course – it is the best way to boost the state economy out of the recession and back to prosperity. As Federal Reserve Chair Ben Bernanke recently stated: “If you're somebody who has lots of financial assets and you receive an extra dollar, you may not change your spending much because you can simply either put the dollar in your bank account or take out a dollar as you need it. If you're somebody who lives paycheck to paycheck, you're more likely to spend that extra dollar.” Right now, we need our citizens to go out and spend money to stimulate the economy. Instead of cutting services to low-income New Yorkers, we should be raising them instead.

**Restore SSI State Supplement.** New York supplements the SSI benefit that helps the blind, disabled and elderly poor, most of whom have no other income. The Governor proposes cutting the SSI supplement by 25% for individuals and couples living alone in the community and 45-70% for those living with others. This cut would hit the most vulnerable New Yorkers in a bad economic time, possibly leading to increased risk of homelessness and unnecessary hospital admissions. The Legislature should reject this cut and maintain support for the SSI supplement.

**Maintain funding for the Nutrition Outreach and Education Program (NOEP).** This network of 37 community-based organizations helped almost 25,000 households receive food stamps benefits last year. Reducing funding by \$2 million for a program that expands access to a federally financed benefit is deeply counterproductive to the state.

**Enact the Foster Care Higher Education Scholarships bill.** This bill, sponsored by Assembly Member Scarborough, would create a scholarship program to help older and former foster care youth meet the total costs of attending a college or vocational training program. As you may know, today the state actually discriminates against foster youth in distributing need-based financial aid. The state should instead help foster youth reach their educational goals, as 14 other states already do.

**Restore the Career Ladders Program.** Career ladders are the most promising model for connecting low-income adults to educational and work opportunities, and for making human services relevant to our state's economic development system. Last year, the Legislature added \$2.5 million to the budget to launch a career ladders initiative, and that initiative is now getting off the ground. Grants have been distributed and the grantees are preparing their plans. For the state to pull funding for career ladders in its second year is utterly baffling. It would be similar to abolishing the space program as Apollo 1 went into orbit.

## Child Welfare Agenda

The Child Welfare system serves our state's most vulnerable population with goals of keeping our children safe, offering them permanency and contributing to their well-being. During tough economic times families, especially low-income families, are under tremendous stress resulting in more reports made to the State Central Register out of concern for a child's safety. What is needed at this time is support and services to get family members through a crisis. Prevention

and intervention services such as parenting education, home visiting, mental health services, substance abuse treatment, and safe housing are needed. Without these services in place, foster care numbers and recurrence rates are likely to increase.

**Restore 65/35 state/local share and maintain COPS funding.** The “65/35” uncapped funding for all child welfare services has proven successful. Not only have children at risk of foster care received much needed services, but so have families not yet in the child welfare system. One cannot overstate the importance of this funding stream over the last several years, both to prevent entry into foster care and to intervene early in a family’s life—before a crisis can occur leading to a report of child maltreatment.

Community Optional Preventive Services (COPS), which can be used for services to children and families not known to the system, in school, mental health and other settings is an especially important part of this funding. According to OCFS sources, state spending for COPS totals nearly \$30 million or about 2% of the total \$1.2 billion, 65/35 spending. The use of the word “optional” is unfortunate as these services are far from optional. Rather, they are vital services to protect child and family well-being. For example, COPS funds spending in probation departments for essential and required services based on the results of an assessment using the Youth Assessment and Services Inventory, an evidence-based tool. COPS funds many mental health services of critical importance to children and families with cross-systems needs. It also supports home visiting programs such as Healthy Families New York and the Nurse-Family Partnership program that are evidenced-based and proven to prevent child abuse and save considerable costs.

Unfortunately, the state share is now 63.7% and the county share is 36.3% leading to increased costs for local districts. The Governor’s Budget eliminates funding for COPS though maintains the authorization for local districts to fund COPS at 100% local share. We ask that you restore the state local share to 65/35 and funding for COPS programs and services.

**Extend the Child Welfare Financing Law to 2012.** In June 2002, New York State enacted legislation to fundamentally change how child welfare is financed. The new Child Welfare Financing law contains three major components and a number of minor changes. Those components are:

- A capped foster care block grant.
- Reimbursement for all other child welfare services, including protective, preventive, adoption, aftercare and independent living services, at 65% state share and 35% local share.
- Creation of a Quality Enhancement Fund to increase the availability and/or quality of services for children and their families.

OCFS has several initiatives and pilot projects in place that are worth noting and that can potentially inform any changes to the Child Welfare Financing Law. These reforms and initiatives include family case conferencing, teaming, ACS’s Improved Outcomes for Children (IOC) initiative, ChildStat and Family Assessment Response. In addition, OCFS is now finalizing its Performance Improvement Plan in response to the federal Child and Family Services Review.

OCFS has begun a review of the child welfare system, its current laws, policies, and practices to assess whether or not changes over the last 40 years have indeed led to improvements in child safety, permanency, and well-being and to issue a report with recommendations for reform. This review could lead to the formation of a commission or task force for change.

These important initiatives will inform any recommendations for reform and will re-shape the provision of services to families reported to child protection services. Therefore, SCAA supports the Governor's proposed extension of the current child welfare financing law until 2012, reverting to the 65/35 state/local share.

**Restore funding to reduce Child Welfare Workloads.** Over the last several years the child welfare workload has emerged as a significant issue needing urgent attention. It should be noted that currently New York State has a statute prohibiting the state from requiring workload sizes. All districts report ongoing problems managing their caseloads and there is mounting evidence that overwhelmed workers are unable to assure safety in the way the public expects. The average caseload in protection, prevention and foster care is nearly double the standard recommended by Child Welfare League of America and other child welfare experts. The 2006 Walter R. McDonald and Associates (WRMA) report recommended caseload sizes in the range of 12:1 for CPS workers to 12 – 16: 1 for preventive.

It is clear that New York must, in order to assure safety, permanency and child well-being, enable workers to provide adequate services. The Legislature has been quite concerned about caseload issues in the past and, despite a bleak fiscal picture, must continue to be concerned. In fact, spending on child welfare, regardless of the structure, will be squandered unless there is a high-quality, stable workforce with leaders who can move the system forward.

One advance that could be helpful to realizing manageable caseloads is the introduction of a Family Assessment Response or FAR in New York State. Six districts have now begun implementation of this response to CPS reports and others have expressed interest. Evaluations of this approach in other states show clear results which benefit children and families. Similar results are expected in New York State. We urge you to track the implementation of this new response and consider requiring FAR in every district in the state in order to provide better, speedier service, to reduce recurrence, and to better manage serious caseload issues.

**Oppose the Youth Programs Block Grant.** The proposal to combine the Youth Development and Delinquency Prevention (YDDP) program, Special Delinquency Prevention Program (SDPP), Runaway Homeless Youth Act (RHYA) programs, Alternatives to Detention, Alternatives to Residential Placement and Secure and Non-Secure Detention Services will not serve the best interest of children and young people and we ask that you oppose its formation.

The proposed block grant mixes costly detention services with cost-effective prevention and youth development programs and mandated with non-mandated. It comes with an implementation date of January 1, 2009 and a 25% cut to these services. The proposed block grant puts at risk the state's Youth Bureau system, an effective system offering local decision-making, flexibility, and services which better serve youth. Youth Bureaus direct funds to after- school

programs, gang prevention, recreation, mentoring, substance abuse intervention, and others. These prevention services are vital to the health and safety of all youth.

The January 1<sup>st</sup> date will leave many local services with no other choice but to close doors due to the uncertainty in funding. We fear the state's runaway and homeless youth and high-risk kids will be left without a network of services and supports. While we agree that system transformation leading to cost savings and developmentally appropriate prevention services is a worthy goal, such a transformation requires planning and input. If a block grant is necessary at this time, we advise separating Runaway and Homeless Youth, SDPP, and YDDP funds into a separate prevention block grant.

**Restore funding to critical programs and services for children.** Several other important funding streams were cut in the Governor's proposed budget that fund critically needed services to children, youth, and their families. SCAA supports restoration of funding to the following:

- Advantage After-School which received a 25% cut in the Governor's Budget.
- Kinship Programs which received a 50% cut in the Governor's Budget.
- Hoyt Children and Family Trust Fund which received a 25% cut in the Governor's Budget.

These programs are all vital to the well-being of our children and the health of our communities and worthy of your support. We urge restoration of funding for each.

I thank you for the opportunity to provide testimony and am available for your questions.